

3. FACTS as to disability.

a. Statistics.

Ideally an Agency review of what has happened to our people in injury and illness should contemplate incidence in performance of duty, in line of duty, and outside duty - inclusive of family involvements. Such all inclusive information is not available because:

- The Chief, Medical Staff maintains no statistics,
- The records under FECA are case files, lately in Personnel and formerly in OGC, (Personnel is about to set up an effective ledger). At any event, these are only performance of duty accidents or illnesses.
- The re-imbursement program under PL 110, approved in May 1953, still waits a regulation to disseminate the information and to govern it, hence it is estimated that there are hundreds of cases which have not come to our attention unless under an Agency hospitalization or surgical plan.

Therefore excerpted from TAB C are the most important available STATISTICS under the two hospitalization and surgical plans offered to our employees (Mutual Benefit Health and Accident Association of Omaha, Neb., and Group Hospitalization, Inc., - hereinafter designated as OMAHA and GHI respectively). GHI will not give us more information than shown, - from our own records.

OMAHA

- (1) Summary of Omaha Hospitalization and Surgical claims since inception in August 1948 thru 1953.

- (a) Total no. of claims [REDACTED] 25X9  
[REDACTED] total days in hospital, 6665; ratio of claims to total no. of policy holders [REDACTED] during 1953. 25X9

(b)	<u>All Claims</u>	<u>Benefit<sup>1/</sup></u>	<u>Actual cost paid by employee</u>	<u>% Benefit</u>
Total		\$115,405	\$172,878	67.
Hosp. Rm & Bd.	49,744		55,580	89.
Surg.	29,044		70,683	41.
Extras	36,617		46,615	78.

- (c) Total Benefit and total actual cost to employee by Geographic location:

	<u>Benefit</u>	<u>Actual cost paid by employee</u>	<u>% Benefit</u>
In U. S.	\$ 77,394	\$129,912	60%
Overseas	38,041	42,966	86%

(1) The total actual costs paid by the employee in respect to type of service:

		<u>% to total</u>
Hosp. Rm & Bd.	\$ 55,580	32.2
Surgical	70,683	43.0
Extras	46,615	26.8
Total	\$172,878	

(a) Omaha Surgical Benefits and Actual Cost  
(Based on Claims Submitted Through 1953)

25X9

(f) Total benefit, and total actual cost experience by type of illness:<sup>2/</sup>

	<u>Benefit</u>	<u>Actual cost paid by employee</u>	<u>% Benefit</u>
Pregnancy and complications therefrom	\$10,222	\$ 72,710	55%
Gastro-intestinal	\$20,783	\$ 26,110	79%
160 cases of misc. small illnesses	\$13,125	\$ 15,754	84%
Eye, ear, nose and throat	\$ 9,511	\$ 14,953	63%
Genito-urinary	\$ 8,664	\$ 13,076	66%
Total of largest 5 categories	\$22,305	\$112,633	65%
Total of remaining 8 categories	\$23,100	\$ 30,215	71%

(g) Days hospitalized:

Less than 5 days	47%
Less than 10 days	85%
Less than 15 days	95%

(h) Type of claim:

By policy holder only	43%
By spouse only	43%
By daughters and sons only	14%

<sup>2/</sup> 13 categories of illness groupings were specified by our consulting actuaries. The first five largest categories are those shown.

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(1) Surgical Claims only: Distribution Range of Actual  
Cost to Policy Holder

(Based on 683 Incidences)

<u>Groups</u> <u>Total</u>	<u>Number</u> <u>683</u>	<u>Per Cent</u> <u>100.0</u>	<u>Cumulative</u> <u>Ratio</u>
Less than \$25	91	13.3	13.3
\$25 thru \$49	101	14.8	28.1
\$50 thru \$74	99	14.5	42.6
\$75 thru \$99	72	10.5	53.1
\$100 thru \$124	81	11.9	65.0
\$125 thru \$149	33	4.8	69.8
\$150 thru \$174	82	12.0	81.8
\$175 thru \$199	29	4.2	86.1
\$200 thru \$224	15	6.6	92.7
\$225 thru \$249	6	0.9	93.6
\$250 thru \$274	20	2.9	96.5
\$275 thru \$299	5	0.8	97.2
\$300 and Over	19 <sup>a/</sup>	2.8	100.0

<sup>a/</sup> \$300 - 1

335 - 1

349 - 1

350 - 5

375 - 1

400 - 3

500 - 2

550 - 1

650 - 1

- 1 -

(j) Extras Claims only: Distribution Range of Actual Cost to Policy Holder.

Extras Incidence  
(Based on 871 Claims)

<u>Groups</u> <u>Total</u>	<u>Number</u> <u>871</u>	<u>Per Cent</u> <u>100.0</u>	<u>Cumulative</u> <u>Ratio</u>
\$25 and less	283	32.5	32.5
\$26 thru \$50	220	25.3	57.8
\$51 thru \$75	162	18.6	76.4
\$76 thru \$100	96	11.0	87.4
\$101 thru \$125	55	6.3	93.7
\$126 thru \$150	21	2.4	96.1
\$151 and over	34 <sup>a/</sup>	3.9	100.0
<sup>a/</sup> \$151 thru \$175	13		
\$176 thru \$200	5		
\$201 thru \$225	5		
\$226 thru \$250	2		
\$251 thru \$275	3		
\$276 thru \$300	2		
\$301 thru \$325	2		
\$326 thru \$350	1		
<u>\$668</u>	<u>1</u>		

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## (k) Comparison of Claims paid and Premiums paid:

(On 1 Sept 53, when approached by the Agency, Omaha raised its benefits as follows:  
 Hosp. \$9.00 per day from \$6.00.  
 Extras \$135.00 unallocated, from \$30.00 allocated in only 4 fixed categories.  
 Extras in maternity only, to \$15.00 from \$30.00.  
 All previous claims back thru 1948 are figured on basis of the new (1 Sept 53) rates in order to evaluate properly the existing Omaha plan. Figures are therefore calculated not actual.)

<u>Year</u>	<u>Claims</u>	<u>Premiums</u>	<u>% of Premiums Returned</u>
1948-50	\$18,541.67	\$40,344.59	46%
-51	18,947.29	33,716.60	56%
-52	21,506.61	51,197.35	48%
-53	<u>27,903.27</u>	<u>19,787.60</u>	56%
Total	\$89,898.84	\$175,046.14	51%

GHI

- (2) Summary of GHI hospitalization and surgical claims accepted from GHI at inception (in March 1953) for previous claims - and thru 1953.<sup>1/</sup> GHI pays directly to the hospital and withholds dollar costs not shown.

- (a) Total no. of claims [REDACTED] total days in hospital 8651 (8350 days allowed)<sup>2/</sup> ratio of claims to total no. of policy holders 1.0 to 4.6 during 1953. (same as Omaha)

25X9

<sup>1/</sup> When CIA took on GHI, that association turned over to us all previous records of our employees - whether inside or outside the Agency at the time of claim. Claims accounted here therefore include those before March 1953.

<sup>2/</sup> The difference accounted for by: Overstaying on discharge hour, over-staying on child tonsilectomy (one day allowed) adult (2 days allowed) or maternity (8 days allowed).

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(b)	<u>All Claims</u>	<u>Benefit</u>	<u>Actual cost paid by employee</u>	<u>% Benefit</u>
	Total	-----	-----	---
	Hosp.	7,999 days	351 days over	96%
	Surg.	\$49,779	not known	---
	Extras	\$15,665	not known	---

(c) Total benefit and total actual cost to employee by geographic location:

Unobtainable.

(d) Total actual costs paid by the employee in respect to type of service:

Unobtainable.

(e) Total benefit and total actual cost experienced by type of illness. (Information limited to hospital days only.)

	<u>Benefit Days</u>	<u>Actual Days</u>	<u>% Benefit</u>
Pregnancy and complications therefrom	2,920	3,015	94%
Other (many small misc. claims)	997	1,042	96%
Gastro-intestinal	910	982	93%
Accidents	769	779	99%
Genito-urinary	676	697	96%

(f) Days hospitalized:

Less than 5 days	58%
Less than 10 days	91%
Less than 15 days	96%

(g) Type of claim:

By policy holder only	27%
By spouse only	43%
By daughters and sons only	30%

(h) Surgical claims only: Distribution Range of Actual Cost to policy holder:

Unobtainable.

(i) Extras claims only: Distribution Range of Actual Cost to policy holder:

Unobtainable.

(j) GHI choice of coverage by the individual as of 31 March 1954 shows the following:

GHI Hospitalization only

		<u>Nos.</u>
Single	-	182
Husband and wife	-	139
Family	-	<u>301</u>
Total		622

GHI Hospitalization and Surgical

Single	-	1440
Husband and wife	-	619
Family	-	<u>1314</u>
Total		<u>3373</u>
Grand Total		3995

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(3) Financial status of GHI as shown in their last two annual reports to the D.C. Insurance Dept.

(GHI operates under an Act of Congress, is not supervised by the District Insurance Dept. or District Commissioners, but makes one annual report to these offices at "any time" during the year following annual audit.)

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The [REDACTED] was asked to try to get the last report and got a "runaround" from GHI. Accordingly, representatives of the Task Force visited the District offices, viewed the audited statements for '52 and '53 made by [REDACTED]

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(a) Audited\* Balance Sheet and Operating Statement, GHI, dated 26 March '53 and 29 March '54

	<u>For Year 1952</u>	<u>For Year 1953</u>
<b>Balance Sheet:</b>		
Total Assets	\$4,734,841.28	\$6,603,207.74
Total Liabilities	\$2,791,720.61	\$2,840,415.15
Employee Pension Reserve	8,490.00	7,940.00
Unallocated Reserve and Surplus	1,009,912.36 (as of 1 Jan. '52)	1,934,630.67 (as of 1 Jan. '53)
Excess of Income over Expenses	924,718.31 (as of 31 Dec. '52)	1,880,560.14 (as of 31 Dec. '53)
	<u>\$4,734,841.00</u>	Minus <u>60,338.00</u> Depreciation <u>\$6,603,207.00</u>
<b>Operating Statement</b>		
Total Income	\$7,839,987.42	\$8,483,876.07
Total Expenses	6,915,269.11	6,603,315.93
Excess of Income**	924,718.31	1,880,560.14
% Excess to Total Income	11.8%	22.2%

\* By [REDACTED]

\*\* Transferred to Unallocated Reserve

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